

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

CONTRARIAN CAPITAL MANAGEMENT,  
L.L.C., CONTRARIAN CAPITAL FUND I,  
L.P., CONTRARIAN DOME DU GOUTER  
MASTER FUND, LP, CONTRARIAN  
CAPITAL SENIOR SECURED, L.P.,  
CONTRARIAN EM II, LP, CONTRARIAN  
EMERGING MARKETS, L.P., BOSTON  
PATRIOT SUMMER ST LLC, and E1 SP, A  
SEGREGATED ACCOUNT OF EMAP SPC,

Plaintiffs,

v.

BOLIVARIAN REPUBLIC OF VENEZUELA,

Defendant.

Case No. 19 Civ. 11018 (AT)

**ANSWER**

**ANSWER OF DEFENDANT BOLIVARIAN REPUBLIC OF VENEZUELA  
TO THE CORRECTED FIRST AMENDED COMPLAINT**

Defendant Bolivarian Republic of Venezuela (“the “Republic”), by its undersigned counsel, responds as follows to the allegations in Plaintiffs’ Corrected First Amended Complaint, dated January 6, 2020 (the “FAC”). The Republic incorporates into each such response a denial of the allegations in the FAC (including those outside the knowledge and information of the Republic), except with respect to those specific allegations expressly admitted herein, and denies any averments in the headings and subheadings of the FAC.

**ANSWER**

Because the introductory paragraph of the FAC does not purport to state any factual allegations, no response is required. To the extent a response is required, the Republic admits that Plaintiffs purport to bring this action against the Republic.

### **NATURE OF THE ACTION**

1. Paragraph 1 purports to describe the nature of the FAC and does not require a response. To the extent Paragraph 1 makes any factual allegations, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 1.

2. The Republic admits the allegations of the first sentence of Paragraph 2. To the extent the second and third sentences of Paragraph 2 purport to interpret the 1998 FAA and the 2001 FAA, no response is required. To the extent a response is required, the Republic denies the allegations present a complete description of the matters alleged therein, and respectfully refers the Court to the terms of the documents referenced therein.

3. To the extent that the allegations of paragraph interpret the 1998 FAA, 2001 FAA, and the Bonds, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 3.

4. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 4.

### **PARTIES**

5. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 5.

6. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 6.

7. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 7.

8. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 8.

9. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 9.

10. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 10.

11. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 11.

12. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 12.

13. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 13.

14. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 14.

15. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 15.

16. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 16.

17. To the extent that the allegations of Paragraph 17 consist of a legal conclusion, no response is required. To the extent a response is required, the Republic does not dispute that it is a foreign state.

**JURISDICTION AND VENUE**

18. To the extent that the allegations of Paragraph 18 consist of legal conclusions, no response is required. To the extent a response is required, the Republic does not dispute that the Court has jurisdiction.

19. To the extent that the allegations of Paragraph 19 interpret the terms of the 1998 FAA and 2001 FAA, no response is required. To the extent a response is required, the Republic denies the allegations present a complete description of the matters alleged therein, and respectfully refers the Court to the terms of the 1998 FAA and 2001 FAA.

20. To the extent that the allegations of Paragraph 20 consist of legal conclusions, no response is required. To the extent a response is required, the Republic (i) denies the allegations of Paragraph 20, except (ii) does not dispute that it is not entitled to sovereign immunity with respect to this action.

21. To the extent that the allegations of Paragraph 21 consist of legal conclusions, no response is required. To the extent a response is required, the Republic does not dispute that the Court has personal jurisdiction.

22. The Republic admits that in the 1998 FAA and the 2001 FAA the Republic appointed as its agent the Consul General of Venezuela, or in the Consul's absence or incapacity, any official of the Consulate of Venezuela, which maintains offices at 7 East 51<sup>st</sup> Street, New York, New York, 10022, for service of process for actions arising under the 1998 FAA, the 2001 FAA and the 2018 Bonds, and refers the Court to those documents for a complete description of their contents. To the extent that Paragraph 22 can be read to suggest that the Republic has appointed any person to serve as its authorized agent for service of process generally, the Republic denies the allegation.

23. To the extent the allegations of Paragraph 23 consist of legal conclusions, no response is required. To the extent a response is required, the Republic (i) denies the allegations of Paragraph 23, except (ii) does not dispute that venue is proper in this district.

**FACTUAL ALLEGATIONS**

24. To the extent that the allegations of Paragraph 24 consist of legal conclusions or purport to interpret the 1998 FAA and its amendments, no response is required. To the extent a response is required, the Republic denies the allegations present a complete description of the matters alleged therein, and respectfully refers the Court to the terms of the documents referenced therein.

25. To the extent that the allegations of Paragraph 25 consist of legal conclusions or purport to interpret the 2001 FAA and its amendments, no response is required. To the extent a response is required, the Republic denies the allegations present a complete description of the matters alleged therein, and respectfully refers the Court to the terms of the documents referenced therein.

26. To the extent that the allegations of Paragraph 26 consist of legal conclusions or purport to interpret the 1998 FAA, 2001 FAA or the Bonds, no response is required. To the extent a response is required, the Republic denies the allegations present a complete description of the matters alleged therein, and respectfully refers the Court to the terms of the documents referenced therein.

27. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 27.

28. To the extent that the allegations of Paragraph 28 purport to interpret the terms of the Bonds, no response is required. To the extent a response is required, the Republic denies

knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 28.

29. To the extent that the allegations of Paragraph 29 purport to interpret the terms of the 13.625% 2018 Bonds, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 29.

30. To the extent that the allegations of Paragraph 30 purport to interpret the terms of the 7.00% 2018 Bonds, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 30.

31. To the extent that the allegations of Paragraph 31 purport to interpret the terms of the 13.625% 2018 Bonds and the 7.00% 2018 Bonds, no response is required. To the extent a response is required, the Republic denies the allegations present a complete description of the matters alleged therein, and respectfully refers the Court to the terms of the documents described therein.

32. To the extent that the allegations of Paragraph 32 purport to interpret the terms of the Bonds, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 32, and respectfully refers the Court to the terms of the documents described therein.

### **COUNT I**

#### **Breach of Contract on the 13.625% 2018 Bonds**

33. The Republic's responses to the foregoing Paragraphs are incorporated by reference as though set forth fully herein.

34. To the extent the allegations of Paragraph 34 consist of legal conclusions, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the allegations of Paragraph 34.

35. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 35.

36. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 36.

37. To the extent that the allegations of Paragraph 37 state a legal conclusion, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 37.

## **COUNT II**

### **Breach of Contract on the 7.00% 2018 Bonds**

38. The Republic's responses to the foregoing Paragraphs are incorporated by reference as though set forth fully herein.

39. To the extent that the allegations of Paragraph 39 consist of legal conclusions, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the allegations of Paragraph 39.

40. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 40.

41. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 41.

42. To the extent that the allegations of Paragraph 42 state a legal conclusion, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 42.

**COUNT III**

**Breach of Contract on the 12.75% 2022 Bonds**

43. The Republic's responses to the foregoing Paragraphs are incorporated by reference as though set forth fully herein.

44. To the extent that the allegations of Paragraph 44 consist of legal conclusions, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the allegations of Paragraph 44.

45. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 45.

46. To the extent that the allegations of Paragraph 46 state a legal conclusion, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 46.

**COUNT IV**

**Breach of Contract on the 9.00% 2023 Bonds**

47. The Republic's responses to the foregoing Paragraphs are incorporated by reference as though set forth fully herein.

48. To the extent that the allegations of Paragraph 48 consist of legal conclusions, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the allegations of Paragraph 48.

49. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 49.

50. To the extent that the allegations of Paragraph 50 state a legal conclusion, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 50.



**COUNT V**

**Breach of Contract on the 8.25% 2024 Bonds**

51. The Republic's responses to the foregoing Paragraphs are incorporated by reference as though set forth fully herein.

52. To the extent that the allegations of Paragraph 52 consist of legal conclusions, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the allegations of Paragraph 52.

53. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 53.

54. To the extent that the allegations of Paragraph 54 state a legal conclusion, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 54.

**COUNT VI**

**Breach of Contract on the 11.75% 2026 Bonds**

55. The Republic's responses to the foregoing Paragraphs are incorporated by reference as though set forth fully herein.

56. To the extent that the allegations of Paragraph 56 consist of legal conclusions, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the allegations of Paragraph 56.

57. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 57.

58. To the extent that the allegations of Paragraph 58 state a legal conclusion, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 58.

**COUNT VII**

**Breach of Contract on the 9.25% 2028 Bonds**

59. The Republic's responses to the foregoing Paragraphs are incorporated by reference as though set forth fully herein.

60. To the extent that the allegations of Paragraph 60 consist of legal conclusions, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the allegations of Paragraph 60.

61. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 61.

62. To the extent that the allegations of Paragraph 62 state a legal conclusion, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 62.

**COUNT VIII**

**Breach of Contract on the 11.95% 2031 Bonds**

63. The Republic's responses to the foregoing Paragraphs are incorporated by reference as though set forth fully herein.

64. To the extent that the allegations of Paragraph 64 consist of legal conclusions, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the allegations of Paragraph 64.

65. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 65.

66. To the extent that the allegations of Paragraph 66 state a legal conclusion, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 66.

## **COUNT IX**

### **Breach of Contract on the 9.375% 2034 Bonds**

67. The Republic's responses to the foregoing Paragraphs are incorporated by reference as though set forth fully herein.

68. To the extent that the allegations of Paragraph 68 consist of legal conclusions, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the allegations of Paragraph 68.

69. The Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 69.

70. To the extent that the allegations of Paragraph 70 state a legal conclusion, no response is required. To the extent a response is required, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 70.

With regard to the "WHEREFORE" clause and subsequent numbered paragraphs on page 13 of the FAC, the Republic denies knowledge or information sufficient to form a belief as to the truth of the allegations of the FAC, and on that basis denies that Plaintiffs are entitled to any relief whatsoever.

## **AFFIRMATIVE DEFENSES**

The Republic states the following defenses and reserves its right to assert other and additional defenses, cross claims and third-party claims not asserted herein of which it becomes aware through discovery or other investigation as may be appropriate at a later time. In asserting these defenses, the Republic does not assume any burden of proof, persuasion or production with respect to any issue where the applicable law places the burden upon Plaintiffs.

### **FIRST DEFENSE**

OFAC sanctions bar entry of judgment in this case.

**SECOND DEFENSE**

Defendant has insufficient knowledge or information upon which to form a belief as to whether there may be additional affirmative defenses available to it, and therefore reserves the right to assert such additional defenses in the event that discovery or further factual investigation indicate they would be appropriate.

**PRAYER FOR RELIEF**

Based upon the foregoing, the Republic prays that this Court deny any relief for judgment on behalf of Plaintiffs, and dismiss this action against the Republic in its entirety, with prejudice and without leave to amend. The Republic also prays for such other and further relief as may be appropriate or that the Court deems just and proper.

Dated: March 31, 2020

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